

FRANCHISE TAX RETURN
BANKS, OTHER FINANCIAL CORPORATIONS, AND
SMALL BUSINESS INVESTMENT COMPANIES

AS OF JANUARY 1, 20_____

THIS SPACE FOR OFFICE USE ONLY. DO NOT STAPLE HERE.

(Based on income for calendar year _____ or fiscal year commencing on _____, 20____)

Name _____	Federal Employer I.D. No. _____
DBA _____	Hawaii G.E./Use and/or Withholding I.D. No. _____
Address _____	
City _____ State _____ ZIP Code _____	

IF APPLICABLE, CHECK BOX: ☐ First year return; ☐ Second year return; ☐ Final return.

A COPY OF ALL PAGES OF YOUR FEDERAL RETURN MUST ACCOMPANY THIS RETURN.

If this is a consolidated return, attach copy of Hawaii Forms N-304 and N-303 for each subsidiary.

CAUTION: Mortgage loan companies, brokers, and solicitors licensed under chapter 454, HRS, see Instructions.

GROSS INCOME

1.	Gross Receipts _____	Less: Returns and allowances _____	1		
2.	Less: Cost of goods sold and/or operations (Attach schedule)		2		
3.	Gross Profit (line 1 minus line 2)		3		
4.	Dividends (Schedule C)		4		
	Gross Amount of Interest	Less: Amortizable Bond Premium			
5.	Interest on government obligations		5		
6.	Other interest		6		
7.	(a) Rents _____	Plus 7(b) Royalties _____, Sum ➤	7(c)		
8.	(a) Net capital gains (from federal Schedule D)		8(a)		
	(b) Ordinary gain or loss (from federal Schedule 4797)		8(b)		
9.	Other income (Attach schedule)		9		
10.	TOTAL INCOME — Add lines 3 through 9		10		

DEDUCTIONS

11.	Compensation of officers (Schedule E)		11		
12.	Salaries and wages (not deducted elsewhere)		12		
13.	Repairs (Do not include cost of improvements or capital expenditures)		13		
14.	(a) Bad debts (Schedule F) _____	Plus 14(b) Rents _____, Sum ➤	14(c)		
15.	(a) Taxes (Schedule B) _____	Plus 15(b) Interest _____, Sum ➤	15(c)		
16.	Contributions or gifts paid (Attach schedule)		16		
17.	Amortization (Attach schedule)		17		
18.	Depletion		18		
19.	Depreciation (from federal Form 4562)		19		
20.	Advertising		20		
21.	Amounts contributed under: (a) Pension, profit-sharing, stock bonus, annuity plans (Attach schedule)		21(a)		
	(b) Other employee benefit plans (Attach schedule)		21(b)		
22.	Other deductions (Attach schedule)		22		
23.	TOTAL DEDUCTIONS — Add lines 11 through 22		23		
24.	Net income before Hawaii adjustments (line 10 minus line 23). Enter here and on page 2, line 24a		24		

TAX

68.	TOTAL TAX from page 3, line 67		68		
69.	Total Nonrefundable Credits. Enter the result from page 4, Schedule H, line 4.		69		
70.	Line 68 minus line 69. Enter the result but not less than zero		70		
71.	Payment with extension (Attach Form N-755)	71			
72.	Tax installment payments (See instruction XIV)	72			
73.	Capital Goods Excise Tax Credit (Attach Form N-312)	73			
74.	Add lines 71, 72 and 73 and enter result		74		
75.	TAX DUE (Line 70 minus line 74. If line 74 is greater than line 70, skip line 76 and go to line 77)		75		
76.	Enter amount paid with this return		76		
77.	OVERPAYMENT (If line 74 is larger than line 70) enter AMOUNT OVERPAID		77		
78.	Enter amount of line 77 you want Credited to 2003 estimated tax ➤ 78(a) \$•	Refunded ➤	78(b)•		

Please
Sign
Here

I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Hawaii Income Taxation of Banks and Other Financial Corporations, Chapter 241, HRS.

Signature of officer _____	Date _____	Title _____
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Paid
Preparer's
Information

Preparer's Signature _____	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's identification number _____
Firm's name (or yours if self-employed) and address _____	Federal E.I. No. _____	ZIP CODE _____	

24.	(a) Net income before Hawaii adjustments — from page 1, line 24	24(a)		
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STATE ADJUSTMENTS

ADD:

25.	Taxable dividends from Schedule C, line 10	25		
26.	(a) Interest on obligations of the United States or its possessions or on securities issued under an Act of Congress. (See instruction VI(a)(1))	26(a)		
	(b) Interest on state, territorial, municipal, county, or other bonds or securities, including Hawaiian issues, not included on line 6. (See instruction VI(a)(2)).	26(b)		
27.	Amount of deduction for bad debts taken on line 14(a). (See instructions IV(b), and VII)	27		
28.	Other additions required by law — submit schedule. (See instruction IV(b)).	28		
29.	Total of lines 24(a) through 28	29		

DEDUCT:

30.	Entire dividends as reported on page 1, line 4	30		
31.	Bad debt deduction allowed by section 241-4(b)(3), HRS. (See instruction VII(c)).	31		
32.	Other deductions authorized by law — submit schedule. (See instructions VI(b) and X(b)).	32		
33.	Total of lines 30 through 32.	33		
34.	Net income after Hawaii adjustments (line 29 minus line 33)	34		

Note: If you do not need to apportion your income, skip lines 35 through 56, enter the amount on line 34 on line 57, and continue with line 58. Otherwise, continue with line 35.

ADJUSTMENTS TO ARRIVE AT APPORTIONABLE BUSINESS INCOME SUBJECT TO TAX

DEDUCT:

35.	Nonbusiness dividends included on page 1, line 4, and included on line 24 above	35		
36.	Nonbusiness interest (Attach schedule)	36		
37.	Royalties from nonbusiness assets (Attach schedule)	37		
38.	Net profit from nonbusiness rental property	38		
39.	Net gain from nonbusiness assets (Attach schedule)	39		
40.	Other adjustments (Attach schedule)	40		
41.	Total (lines 35 to 40, inclusive)	41		
42.	Balance (line 34 minus line 41)	42		

ADD:

43.	Net loss from nonbusiness rental property	43		
44.	Net loss from nonbusiness assets (Attach schedule)	44		
45.	Total of lines 43 and 44.	45		
46.	Business income from sources within and without Hawaii (line 42 plus line 45).	46		
47.	Allocate _____% (from Schedule P, line 8), as apportionable income attributable to Hawaii and subject to tax. (Multiply line 46 by the %)	47		

CLASSIFICATION OF APPORTIONABLE BUSINESS INCOME SUBJECT TO TAX

48.	Enter the portion of the amount on line 47 that is ordinary income	48		
49.	Enter the portion of the amount on line 47 that is net capital gain. Also, enter on line 60	49		
50.	Total (lines 48 and 49). This total must be equal to the amount on line 47.	50		

Continue on page 3

INCOME WHOLLY ATTRIBUTABLE TO HAWAII SUBJECT TO TAX

51.	Gain (or loss) from sale of real estate and other tangible assets located in Hawaii	51		
52.	Royalties from property located in Hawaii	52		
53.	Net profit (or loss) from nonbusiness rental property within Hawaii . .	53		
54.	Net gain from sale of nonbusiness assets located in or having tax situs in Hawaii:			
	(a) Net short-term capital gain.	54(a)		
	(b) Net capital gain attributable to Hawaii. (This amount, if any, also should be entered on line 60)	54(b)		
	(c) Net gain (or loss) from sale or exchange of property other than capital assets	54(c)		
55.	Income from intangible personal property. Include entire income (or loss) of intangibles which, because of domicile of the corporation or business situs of intangibles, are located in Hawaii. Add back Hawaii allocated, nonbusiness income and dividends.			
	(a) Dividends included on line 35 above (Attach schedule)	55(a)		
	(b) Interest.	55(b)		
	(c) All other income from intangibles (Attach schedule)	55(c)		
56.	Total income wholly attributable to Hawaii (lines 51 to 55(c))	56		
57.	Total of lines 47 and 56 (or the amount from line 34 if you did not need to apportion your income).	57		
58.	Net operating loss deduction—submit schedule. (See instruction XI)	58		
59.	Net income (or loss) for Hawaii tax purposes (line 57 minus line 58)	59		

TAX COMPUTATION

60.	Enter the amount of net capital gains as shown on page 1, line 8(a). (If you apportioned your income, enter the amounts from lines 49 and 54(b), if any, instead)	60		
61.	Line 59 minus line 60 (If less than zero, enter zero) ➤	61		
62.	(a) Tax on capital gain — 4% of amount on line 60	62(a)		
	(b) Tax on net income — 7.92% of amount on line 61	62(b)		
	(c) Total of lines 62(a) and 62(b).	62(c)		
	(d) Using the 7.92% rate, compute tax on all taxable income using amount from line 59.	62(d)		
63.	Total tax (enter lesser of line 62(c) or 62(d))	63		
64.	Recapture of Capital Goods Excise Tax Credit from Form N-312, Part II	64		
65.	Recapture of Low-Income Housing Tax Credit	65		
66.	Total recapture of tax credits (Add lines 64 and 65)	66		
67.	Total tax (Add lines 63 and 66). Enter here and on page 1, line 68. ➤	67		

Schedule A — ADDITIONAL INFORMATION REQUIRED

A. Date of Incorporation: _____

B. Date Business Began in Hawaii: _____

C. State or Foreign Country of Incorporation: _____

D. Main Business Activity: _____

Schedule B — TAXES

Explanation	Amount
Total (Enter here and on page 1, line 15(a).)	

Schedule C — INCOME FROM DIVIDENDS (Classified for Hawaii Purposes)

1. Name of declaring corporation	2. National Banking Associations	3. Received from an affiliate (including foreign) as IRC section 243(b) qualifying dividend	4. Received by a small business investment co. operating under Small Business Investment Act	5. All other dividends
6. Total dividends (Add amounts in columns 2, 3, 4, and 5). Enter here and on page 1, line 4				
7. Dividends qualifying for the 70% dividends received deduction (Total of amounts in column 5)				
8. Multiply line 7 by .30 (30%)				
9. Taxable mutual funds dividends				
10. Total taxable dividends (Add lines 8 and 9). Enter here and on page 2, line 25				

1. Last 3 Prior and Current Taxable Years	2. Amount of Notes and Accounts Receivable Outstanding at End of Year	3. Taxable (or Net) Income Reported	4. Sales on Account	5. Bad Debts of Corporation if No Allowance Is Carried on Books	If Corporation Carries An Allowance		
					6. Gross Amount Added to Allowance	7. Amount Charged Against Allowance	8. Balance of Allowance
20							
20							
19							
19							

1.	Credit for Energy Conservation (Attach Form N-306)	1		
2.	Low-income Housing Tax Credit (Attach Form N-586)	2		
3.	High Technology Business Investment Tax Credit (Attach Form N-318)	3•		
4.	Total Nonrefundable Credits. Add lines 1 through 3. (Enter here and on page 1, line 69)	4		

	In Hawaii		Total Everywhere	
Property — (use original cost)	Beginning of taxable year	End of taxable year	Beginning of taxable year	End of taxable year
Land _____				
Buildings _____				
Loans _____				
Credit card receivables _____				
Leasehold interests* _____				
Rented Property* _____				
Other Property _____				
Total				

1	Property values (average value of property above)			
2	Property factor (line 1, col. A divided by line 1, col. B)			%
3	Total compensation			
4	Payroll factor (line 3, col. A divided by line 3, col. B)			%
5	Total receipts			
6	Receipts factor (line 5, col. A divided by line 5, col. B)			%
7	Total of factors (add lines 2, 4, and 6)			%
8	Average of factors (divide line 7 by 3). Enter here and on page 2, line 47			%